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SUBJECT: UAE'S RAS AL KHAIMAH: ROGUE OR REFORMER?

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CLASSIFIED BY: Justin Siberell, Principal Officer, U.S.
Consulate General, Dubai.
REASON: 1.4 (b), (d)

11. (S/NF) Summary: Ras Al Khaimah (RAK), the UAE's northern-most emirate, has emerged into the media spotlight amidst a blitz of recent accusations by a deposed former Crown Prince that, among other things, RAK facilitates illicit trade with Iran, in particular cargo related to Iran's nuclear and missile programs, and that RAK authorities are negligent in guarding against Al Qaeda infiltration of the UAE. Timing of the accusations appears linked to the approaching deadline (approximately October 25) for Congressional consideration of the US-UAE "123 Agreement" related to civilian nuclear cooperation, and is perhaps aimed to engender doubt about the UAE's ability or willingness to control Iran-related trade of proliferation concern. USG agencies at post, to include GRPO, have no evidence to suggest RAK is being used as a transshipment point for material related to Iran's weapons or nuclear programs. In fact, the UAE, of which RAK is a part, has emerged as one of the USG's closest partners in interdicting Iran-bound shipments identified as a proliferation risk. Similarly, there is no evidence to suggest RAK authorities had prior knowledge of, or were in any way complicit in, a recently-disrupted Fatah al Islam cell composed of non-UAE citizens located in the RAK. Covert Iranian presence in RAK ports is a noted concern by UAE Federal Intelligence Authorities. Drug-related transshipment through RAK is a concern for DEA elements at post, which maintain an ongoing dialogue with RAK authorities on the matter.
End Summary.

12. (C) Known in earlier times as the "Pirate Coast" for the support allegedly provided to seafarers that harassed India-bound British shipping, Ras Al Khaimah is today a relatively sleepy backwater within the UAE's seven-emirate federation. The population of roughly 260,000 is 60 percent Emirati, the highest proportion of UAE nationals within any of the emirates that comprise the federation. RAK relies upon UAE federal government (read: Abu Dhabi) support for energy, housing, hospitals, and schools. It lacks significant oil or gas deposits and has therefore pursued a development strategy

featuring trade and port services and light manufacturing. Significant limestone deposits have made RAK a primary supplier of rock and stone throughout the world. While the RAK Government has voiced its desire to one day compete with Dubai as a destination for investment and tourism, the Emirate remains underdeveloped. (Note: While RAK has talked to Iran about possible future gas supplies, there are no indications either side is currently pursuing a deal. Crown Prince Saud Al-Qassimi told Ambassador that negotiations had fallen apart because the Iranians were too difficult. End note.)

The Pretender: Khalid bin Saqr al Qassimi

13. (C) In recent weeks, the former Crown Prince of Ras al Khaimah, Shaykh Khalid bin Saqr al Qassimi, has pursued meetings with Congressional and Executive Branch officials to raise questions about the policies and allegiance of his half-brother and current Crown Prince, Shaykh Saud bin Saqr al Qassimi. Shaykh Khalid was removed as Crown Prince by a Royal Decree issued in 2003 by his father, the Ruler of Ras al Khaimah, Shaykh Saqr bin Mohamad al Qassimi. The same decree appointed Shaykh Saud as the new Crown Prince. Shaykh Khalid had remained relatively quiescent (and in exile in Oman) until about a year ago when he began a campaign to influence US public opinion. While post is unclear on Shaykh Khalid's aim, it would appear that the timing of his accusations is intended to influence Congressional views with regard to the pending US-UAE "123 Agreement" to enable US civilian nuclear cooperation. This agreement is due to enter into force about October 25 upon the completion of Congressional review.

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The Current Crown Prince: Saud bin Saqr al Qassimi

14. (C) Since his ascent in 2003, Ras Al Khaimah's current Crown Prince, Shaykh Saud bin Saqr al Qassimi, a graduate of the University of Michigan, has embarked on a development strategy focusing on an expansion of port and maritime services, manufacturing, and tourism. Saud's mother is from one of Dubai's well-established merchant families and Saud is said to be close to Dubai's Ruler Mohamed bin Rashid al Maktoum, pursuing reform and development policies that mirror in reduced scale the strategy pursued by Dubai. Saud refers to himself as a "friend of the United States;" his eldest son recently returned to RAK after receiving a Political Science degree from UCLA. He has invited Consulate General Dubai staff to review RAK port's "open books" and expresses frustration with the allegations of his half-brother Shaykh Khalid which he holds responsible, among other things, for sinking RAK's bid to host the America's Cup yacht race.

Facilitating Illicit Trade with Iran?

15. (S/NF) Northern Emirates ports of Ras Al Khaimah, Sharjah and Dubai maintain a robust re-export trade with Iran, some of which is organized by Iranian front companies to evade U.S. and other international sanctions regimes. However, USG elements at post, including GRPO, have no reason to conclude RAK is being used as a transshipment point for material related to Iran's weapons or nuclear programs, as is alleged by Shaykh Khalid. Rather, the UAE, of which RAK is a part, is one of our closest partners in interdiction cooperation of Iran-bound shipments identified as a proliferation risk. Ras Al Khaimah's ports lie within the UAE and are staffed by Emirati nationals, not controlled by Iran and staffed by Iranian customs, as alleged in one particularly sensational report circulated by the deposed Crown Prince. That said, Federal UAE officials, including at the Directorate of Military Intelligence, have voiced concern to Embassy Abu Dhabi Naval Attache of possible Iranian "infiltration" of RAK's ports, including covert elements of the IRGC Quds Force. (Comment: this local concern is consistent with broader UAEG concern over a covert Iranian presence in the UAE which might be activated in the event of conflict between Iran and Israel over the Iranian nuclear program. End comment.) According to figures released by RAK customs, Iran is fifth in terms of export trade volumes from RAK (measured in value) behind Qatar, Bahrain, Oman and Kuwait. Iran is tenth in RAK re-export trade behind Oman, Ukraine, Qatar, Lithuania, Russia, Bahrain and RAK's duty free stores. RAK's port director told Consul General in September that cargo to Iran is "scanned", though the extent of such scanning is unclear and is unlikely to include bulk or non-containerized cargoes.

16. (C) Resident DEA attache in Dubai engaged Ras Al Khaimah Narcotics Unit in October to raise concern about information that RAK had emerged as a staging point for Afghan-origin heroin and hashish. Such cargoes are reportedly stored in RAK until buyers in Africa or Europe can be located for onward shipment. RAK officials acknowledged that storage of such contraband may occur in the RAK free zone, and agreed to investigate the

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allegations. They vehemently denied, however, that such goods arrived via RAK ports. Brigadier General Abdullah al Haddidi asserted at an October 6 meeting with DEA Attache, attended by RAK Royal Family member Major General Talib bin Saqr al Qassimi, that drugs must be smuggled into RAK from other Emirates. DEA continues to investigate and has agreed with the RAK Narcotics Bureau to initiate a first-ever joint training program aimed at deepening counter-narcotics cooperation.

Facilitating Al Qaeda?

17. (S/NF) Another of Shaykh Khalid's accusations is that RAK is a staging ground for Al Qaeda operations in the Emirates. The charge presumably relates to the March 2009 discovery of a Fatah al-Islam cell with plans to attack targets in the UAE. The cell was identified by UAE intelligence and special operations forces and disrupted before its planning reached the operational phase, however, the cell had stockpiled explosives. As with the previous allegation regarding RAK complicity in Iran proliferation activity, there is no evidence to suggest that RAK officials had prior knowledge of or provided any support to the Fatah al-Islam group, which was composed of non-RAK citizens. Within the UAE's federal structure, intelligence responsibilities for all Emirates apart from Dubai are handled by the State Security Department (SSD) in Abu Dhabi. Extremism

born of discontent remains a concern in Ras Al Khaimah, as it does in each of the UAE's poorer regions. One of the two Emirati 9/11 hijackers came from Ras Al Khaimah at a time when the former Crown Prince now lodging the allegations was in power.

Comment

18. (C) It remains unclear to post what Shaykh Khalid, the deposed Crown Prince, intends with his current campaign to discredit his half-brother. Internal rivalry is a common, but ordinarily discreet feature of Royal family politics in the UAE. A Washington, DC-based lobbyist told a CG Dubai political officer in late 2008 that his services had been sought by Shaykh Khalid to wage a publicity campaign "shining a light" on the RAK-Iran relationship in order to gain (presumably USG) support for a return to power on the promise of a harder line towards Iran. The threat of these accusations to derail the strategic US-UAE 123 Agreement cannot have endeared Shaykh Khalid to the Abu Dhabi leadership, upon whom he would presumably have to rely were he to be restored to his former position. Irrespective of his motivations, the allegations are serious and bear continued monitoring and investigation. It is not beyond reason that Iran, and others who seek to evade trade restrictions, would attempt to exploit a distant port like Ras Al Khaimah for a variety of purposes. Links to Iran are long-standing throughout the Emirates. But that does not mean that UAE officials, including in RAK, have any interest in furthering Iran's proliferation agenda.
SIBERELL